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FISCAL IMPACT STATEMENT

LS 6578

BILL NUMBER: HB 1299

NOTE PREPARED: Jan 7, 2012

BILL AMENDED:

SUBJECT: Alcoholic Beverage Matters.

FIRST AUTHOR: Rep. Davis

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill makes certain changes concerning the requirements for the Alcohol and Tobacco Commission (Commission) in maintaining the registry of all retailer's and dealer's permits. It removes and repeals certain provisions concerning residency requirements for alcoholic beverage retailer's and dealer's permits and liquor wholesaler's permits. The bill prohibits the Commission from issuing *any* permit to foreign corporations, limited liability partnerships, or limited liability companies not qualified to do business in Indiana. (Current law prohibits the Commission from issuing *certain* permits to foreign corporations, limited liability partnerships, or limited liability companies not qualified to do business in Indiana.)

The bill allows the Commission to issue an order directing a holder of an alcoholic beverage permit to cease and desist in: (1) the manufacturing, rectifying, distributing, transporting, or selling of; or (2) otherwise dealing in; an alcoholic beverage that the Commission reasonably believes has a dangerously harmful effect on the health or well-being of individuals who consume the alcoholic beverage. It also allows the permittee to: (1) request a hearing regarding the Commission's determination that the alcoholic beverage is harmful; and (2) seek judicial review of the final action by the commission. The bill also allows the Commission to fine, suspend, or revoke the permit of a permittee who violates a cease and desist order issued under this provision. It also makes conforming changes.

Effective Date: Upon passage; July 1, 2012.

Explanation of State Expenditures: *Alcohol and Tobacco Commission (ATC):* This bill could increase administrative expenditures of the ATC by requiring the ATC to amend rules governing issuance of certain alcohol permits. The bill also requires the ATC to provide an electronic registry of all retailer's and dealer's permits along with the sale of registry on the internet through the computer gateway established by the Office

of Technology. The bill also allows the ATC to issue an order directing a holder of an alcoholic beverage to cease manufacturing or distributing an alcoholic beverage that the ATC reasonably believes has a dangerously harmful effect. The ATC's existing level of resources should be sufficient.

Explanation of State Revenues: *Permit Fee Revenue:* This bill prohibits the ATC from issuing certain permits to some entities. However, it removes certain provisions concerning residency requirements for alcoholic beverage retailer's and dealer's permits and liquor wholesaler's permits. To the extent that these provisions have an effect on the number of permits issued, there could be an impact on permit fee revenue. Permit fee revenue is deposited in the state General fund and the Enforcement and Administration fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: ATC; Office of Technology.

Local Agencies Affected:

Information Sources:

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